

DEPARTMENT OF ENVIRONMENTAL QUALITY

Legislation modifying the Major Facility Siting Act
By Request of the Department of Environmental Quality

2007 MONTANA LEGISLATURE

HB 161 FACT SHEET

MAJOR FACILITY SITING ACT REMOVE FEE LIMIT, SPECIFY TIMING OF FEE SUBMITTAL, AND REMOVE PROVISION TO PAY INTEREST ON UNUSED FEE AMOUNT

Statute: Amending Sections 75-20-204, 75-20-215, and 75-20-216 MCA

The Department requests changes in the Major Facility Siting Act, amending the determination and timing of the application filing fee, and removing the provision for the state to pay interest on any unused, refunded portion of the filing fee.

Timing of Fee Submittal: MFSA requires applicants to submit a filing fee or enter into an agreement with the Department to cover costs associated with processing an application, but does not specify when the fee is to be paid.

Proposed language would:

- Address costs immediately incurred by the Department following application submittal;
- Allow the Department to proceed with hiring a third party contractor to assist with application review and EIS preparation;
- Allow the Department to move expeditiously to meet statutory timeframes.
- Minimize Department risk for unreimbursed costs.

Remove Fee Limit: MFSA requires applicants to submit a filing fee or enter into an agreement with the Department to cover costs associated with processing an application.

Proposed language would address:

- Current filing fee structure in 75-20-215(1) that is likely insufficient to cover development of an EIS using a third party contractor (see cost assumptions below).

Removal of Provision to Pay Interest: MFSA requires that the filing fee submitted by an applicant be held in a state special revenue fund. This special fund does not earn interest. However, the Department is required to refund any unused portion of the filing fee, with interest at an annual rate of 6%, at the end

of a project. MFSA does not specify a source of funding for this interest payment.

Proposed language would:

- Address a potential unfunded liability for the Department.
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Cost assumptions for a representative 230 KV transmission line:

1. Line length of 130 miles
2. Cost per mile approximately \$342,000¹
3. Total line cost of about \$44.5 million
4. Filing fee calculated from 75-20-215(1) is roughly \$251,000
5. Estimated cost of about \$400,000 for Department to complete draft and final EIS and report using a third party contractor
6. Cost proposals from prospective EIS contractors ranged from \$153,000 to \$459,000 for the draft EIS and report.

For more information contact:

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1/22/07

¹ Six years ago Northwestern indicated to DEQ that they were using \$230,000/mile as the rule of thumb cost for a wood pole 230 kV H-frame line. In 2005 Mines Management told us that they were estimating the cost of a 230 kV single pole steel line was about \$300,000/mile plus or minus 20%. MATL proposes a 230 kV H-frame line with laminated wood H-frame structures with an estimated cost in 2006 of about \$342,000 per mile.